



GUILDFORD
BOROUGH

Summary Property Report regarding proposed future use of Burchatts Farm Barn and Flat, London Road, Guildford GU1 1TU

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1.0 Property Location and Description

1.1 Location

The premises are situated at the Northeast end of Stoke Park, Guildford, close to the junction between Parkway and London Road. Guildford town centre is about 1 mile away and there is easy access onto the A3 at Guildford (also about 1 mile), or at Burpham.

The property is situated next to sports changing pavilions for Stoke Park playing fields, and the Disability Challengers Charity building.

Generally, the premises are only accessible by road, with rail stations being at least one mile away.

1.2 Description

The property consists of a barn and attached flat. The current facility comprises an open barn area with kitchen and toilet facilities. The first floor flat has a separate entrance at ground level, previously used as the caretaker's accommodation, but now let on a short-term tenancy.

The barn is Grade II Listed and dates from 1740. It was restored by the Council in 1989, and is now used for events hire, such as weddings. The barn is timber framed on brick plinth walls and has brick infill panelling which is exposed internally. Externally the building is clad in timber weatherboarding. The roof is plain clay tiled, extending in a catslide at the front.

The open usable space extends to some 1,484 square feet. Outside the building to the rear is a small garden area with extensive views over Stoke Park. To the front is a dedicated parking area sufficient to accommodate 5 cars, although ancillary parking is available within the vicinity.

The flat dates from the 18th Century, possibly with an earlier core, and is separately listed. There are two distinct phases of construction, with a vertical joint between the two parts of the building. The two-storey construction consists of red brick in Flemish bond with blue brick headers and a plain clay tiled roof matching the barn.

2.0 Condition

2.1 Both the barn and flat were found to be in generally good structural condition when last inspected by Paul Tanner Associates in 2014.

- 2.2 The barn is in use as an event facility, having been restored in 1989. However, the building has a number of issues relating to gradual deterioration and general wear, identified in Paul Tanner Associates' report (appended to this report).
- 2.3 The flat was being refurbished internally at the time of inspection in 2014 in preparation for new occupancy. Again, the flat has a number of issues relating to gradual deterioration and general wear, identified in Paul Tanner Associates' report.

3.0 Historic and current use

- 3.1 The barn and flat are managed by Council's Parks and Leisure Services as an integral part of Stoke Park, let for a range of community uses and events that fall into the planning use class categories of D1 (non-residential institution) and D2 (assembly and leisure). The Service has stopped taking any bookings beyond 31 March 2017.
- 3.2 The Council and its various associated groups and organisations have used the facility to hold meetings, especially when space at Millmead has not been available. However, since the refurbishment of Millmead and the consequential increase in the number and quality of meeting rooms on site, there has been a steep fall in demand to use Burchatts Farm Barn.
- 3.3 The barn has a seating capacity of 90, which can be configured in a variety of ways for different purposes. The five associated car parking spaces to the front of the building as well as a range of other free parking opportunities managed on a 'first come first served' basis is an attraction for the site which is not well served by public transport. The on-site caretaker historically lived in the flat. When the last caretaker vacated in 2013, a decision was taken by the service not to recruit to replace due to the economic unviability of the venue.

4.0 Legal Title

- 4.1 Burchatts Farm Barn & Flat together with the associated Stoke Park is in the freehold ownership of the Council.

5.0 Planning context and planning history

- 5.1 Burchatts Farm Barn & Flat usage in recent years corresponds to Planning use class designations D1 and D2, with the facility used for meetings, social events, weddings, funeral receptions, as well as an extension to the meetings facilities of the Council.

6.0 Letting history

- 6.1 The upper floor self-contained flat is currently tenanted achieving a rental of £900 per calendar month, equating to £10,800 per annum. The barn and its associated facilities are used for a range of events let on hire-only basis.

7.0 Estimated market rent

- 7.1 The property agent, Owen Shipp, estimated a rental figure in 2014 of between £18 and £20 per square foot, with a quoting rental of £29,000 per annum for the barn. There may be a requirement for an incentive rent-free period depending on the use and length of the lease. Asset Development officers recommend a new rental figure be sought.

8.0 Alternative uses

- 8.1 Owen Shipp proposed the following alternative uses in 2014:

- 8.2 *"The property and location could be attractive for a variety of uses. Some of these uses will be more viable than others considering the distance from the town. Although there is a bus stop opposite the property, most occupiers or visitors to the property would probably drive. With parking limited to 5, if staff numbers exceeded this number then parking would potentially be available at Spectrum park-and-ride or along London Road. Short term or evening visitors would generally look to park on-site.*
- 8.3 *The office market is showing good signs of recovery and I would be quite optimistic that we would find an office tenant for the property.*
- 8.4 *A restaurant could be popular and the premises are well set-up for this use. However, the size is a limiting factor as most corporate operators would require significantly more seating space. Additional seating could be available in the garden in good weather. This would therefore be more likely to appeal to smaller independent restaurateurs. Parking for customers could become problematic particularly at lunchtimes at the weekend when the parking is well used by sports clubs using the Stoke Park playing fields.*
- 8.5 *I believe there would be good demand from D1 (non-residential institution) Use which could include medical use, children's nurseries, church halls, educational uses or other community uses or D2 (Assembly and Leisure) such as theatres, dance, music, yoga classes etc. Again, because of the size, most demand is likely to be from smaller independent businesses.*
- 8.6 *Recent demand has shown the highest demand from children's nurseries, church meeting rooms, yoga/pilates studios, restaurants and more recently offices. There are other children's nurseries nearby but the population in the area is probably sufficient to support another child care business. The building does not have a presence on the main road which is quite important for some businesses like nurseries but it is very visible from Stoke Park and could generate a good market from young families using the park facility.*
- 8.7 *I believe there would be good demand for a yoga/pilates studio. However, these businesses are often run by small one-person independent businesses and in my opinion many would find it difficult to sustain these premises unless as a collaboration of small practices.*
- 8.8 *On balance, I consider the best uses for the premises to be either D1 or B1 (office) use or possibly a restaurant. Perhaps the D1 Use would be a "better fit" because of the location and surrounding uses. A children's nursery would generate traffic at peak times but would be unlikely to cause parking problems. A church meeting hall could provoke parking problems at peak times.*
- 8.9 *The Parks & Countryside Service will no doubt have a view on which type of use (this would include comment on selling at less than best consideration - which includes lettings over 7 years)."*
- 8.10 *Parks and Leisure Officers recommend that any alternative use must be complimentary to Stoke Park and let the barn and flat as one package.*

9.0 Financial budget in recent years

- 9.1 *The current scale of the losses in recent years is set out below:*

Account description	2013-14	2014-15	2015-16	2016-17
EMPLOYEE RELATED EXPENDITURE	35,758	6,916	3,626	3,238
PREMISES RELATED EXPENDITURE	13,745	24,132	49,052	18,040
SUPPLIES AND SERVICES	3,616	9,548	4,236	2,648
SUPPORT SERVICES	3,183	3,916	10,199	4,565
TRANSPORT RELATED EXPENDITURE	0	64	64	43
INCOME	-26,413	-21,341	-4,746	-10,595
OPERATING TOTAL	29,889	23,236	62,432	17,940
IAS19 (SUPERANN) ADJUSTMENT	1,842	204	363	0
CAPITAL FINANCING COSTS	6,720	6,720	6,720	6,160
LEDGER TOTAL	38,451	30,160	69,515	24,100

The figures include capital charges and the IAS19 adjustment (pension accounting adjustment) which generally are excluded when making operational decisions. Similarly, support service charges are indirect costs which the organisation would incur whether the Council ran the facility or not.

Expenditure in 2015-16 was higher due to repairs and maintenance works including; moss clearance, chimney and porch repairs, damp remedying, and decorating.

9.2 There are three main options:

- 9.2.1 **Maintain the status quo.** This involves continuing to manage the building by Parks and Leisure Services as an adjunct to Stoke Park. This seems the least attractive option as the current losses of £30-£70,000 per annum would be sustained into the future.
- 9.2.2 **Keep the facility for Council use.** This would involve recognising the historic interest in the building as being of paramount importance, and regard the facility as a further additional meeting space available to the Council primarily for its own purposes. The operational control would need to be transferred to Heritage Services as part of their service as Parks and Leisure is not resourced to manage the premises effectively as a core business.
- 9.2.3 **Lease the facility to an external user.** This could either be to an existing tenant wishing to relocate, or to a private sector tenant. Among the existing Council tenants, the Girl Guides currently occupy a Council owned site on Nightingale Road that might have a strategic value to the Council in the redevelopment of the Stoke Park Offices and associated facilities. The Girl Guides hold a 15-year lease from March 2012, but this can be terminated with six months' notice.

9.3 Risk, Restrictions and Opportunities

There are a number of risks, restrictions and opportunities considered in arriving at a recommendation on the future of the barn and flat:

- 9.3.1 The heating is poor in the building, with half of the building heated by underfloor heating, the remainder with storage heaters. The building is not particularly airtight making it draughty and cold. Any new tenant will have to resolve this.
- 9.3.2 As an historic grade II listed building the chances of achieving a full repairing and insuring lease may be reduced or a lower level of rental

income may be more realistic should an incoming tenant have to develop the facility to meet their needs.

- 9.3.3 The parking provision around the facility is unregulated and unattractive and may deter prospective tenants. This will require the Council to invest to improve parking and vehicular/pedestrian movement and safety this area (which is required regardless of use).
 - 9.3.4 For restaurant use, a destination restaurant would suit the site better than a café style operation because of the lack of parking and immediate footfall, although the space is insufficient for the necessary number of covers a destination restaurant would want. The kitchen would need a refit to meet commercial catering standards. The practical heating and draughts issues would need resolving by a prospective tenant. For these reasons, Parks and Leisure officers do not support the use of the barn as a café or restaurant.
 - 9.3.5 Officers do not recommend a residential conversion because of the impact of the adjoining facilities and how the park may develop over time. This would generate significant conflict and is not be complimentary to other uses and the length of some of the tenancies, for example Disability Challengers.
 - 9.3.6 Officers do not recommend use of the building for social enterprise as the Council is likely to remain liable for expensive maintenance costs of the premises and required up-front conversion costs.
 - 9.3.7 Another potential use of the property is D1 medical use. This category of use is in small supply and is a business that could generate adequate cash flows and achieve a market rent for the property.
- 9.4 Officers recommend the Council employs an agent to market the property to see what interest there is across the D1 and D2 sectors and whether an appropriate tenant can be identified. Councillor Billington is in support of this proposal. If CMT approve this approach, Parks and Leisure officers will present the proposal to the Property Review Group at its December meeting, with a view to marketing the premises in the New Year, possibly with a view to letting the building in Spring 2017.

10.0 Conclusion

- 10.1 The best advantage to the Council, including financial advantage, is to lease the facility to an external user, either an existing or new tenant, at market rent following a process of marketing the premises.

11.0 Recommendation

11.1 It is recommended that:

- 1. Asset Development officers approach the Girl Guides about their current tenancy at Nightingale Road and whether they would consider a relocation to Burchatts Farm Barn,**
- 2. Asset Development officers arrange a market testing exercise in order to seek expressions of interest for a private sector tenant to lease Burchatts Farm Barn and Flat in the event of the Girl Guides tenancy not materialising,**
- 3. Parks and Leisure officers put plans in place to renovate and regulate the car park area at this end of the park.**